

5 July 1951

MEMORANDUM FOR: Deputy Director (Plans)

FROM: Assistant Director for Research and Reports

SUBJECT: Points to Make in *Discussions with President's Senior Employees* ~~_____~~ /OAR

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1. The job. The Office of Research and Reports has two basic jobs:

a. It is charged formally by the National Security Council with coordinating all foreign economic intelligence relating to the national security. This means watching, criticizing, assisting, and supplementing foreign economic intelligence work of the Departments of Defense, State, Commerce, Treasury, Economic Cooperation Administration, etc., and focusing it all on national security problems. This is done partly by ORR's own staff, partly by a newly formed Economic Intelligence Committee of which the Assistant Director for Research and Reports is Chairman.

b. Conducting basic economic intelligence research on the capabilities, vulnerabilities, and intentions of the Soviet bloc. Nobody else in Washington does this. Until recently it has not been done at all. General Smith firmly believes that it must be done and done properly, and is prepared to support this activity with whatever manpower, money, and other resources that may be necessary to do the job right.

2. The resources available. As of 1 July there was a staff of 575 persons on duty or on order and a table of organization to be filled of 857. The professional part of this staff consists principally of economists and engineers and, in the Map Division, geographers. General Smith and Mr. Jackson have said that they would make available money for external contract research in universities and research institutions to an amount up to several million dollars as required. Present relations with other intelligence and research organizations in the Government and in private institutions are close and cordial with no indications of jurisdictional rivalry or dispute. Lines to the top are direct and short, since the AD/RR reports to the DCI who reports to the President and the National Security Council.

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3. Importance. As I see it the main job is to provide estimates of Soviet capabilities to guide us in the delicate strategy of the cold war. The overriding objective of all our foreign policy is so to conduct ourselves that freedom can be preserved without global war. At the moment courses of action are being seriously urged upon the United States both within and outside the Government which are based on widely varying estimates of Soviet capabilities. At one extreme is the view seriously held in some quarters that within two or three years the USSR will be able to deliver a knockout blow against the United States so effective that it will be impossible for us to retaliate. Equally seriously held elsewhere is the view that the USSR is now and will probably remain for some years so economically weak that they will be incapable of major military action on a sustained basis. These grave differences of estimates which lead to radically different conceptions of the foreign policy required to avoid global hostilities, can be eliminated or greatly reduced by patient and thorough examination and analysis of the mass of detailed information available to us as to the present status and prospects of the Soviet economy. This is ORR's main job. It may well be the most important research job there is in the country today.

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